

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES
DEPARTMENT OF AGRICULTURE
LIBRARY



BOOK NUMBER	Reserve
889033	1.941
	F8F22
	FIS 104-132
	Jan. 1949-
	Nov. 1951



serve
741
F32
3
THE

FOR RELEASE
FEB. 26, P. M.

Farm Income SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

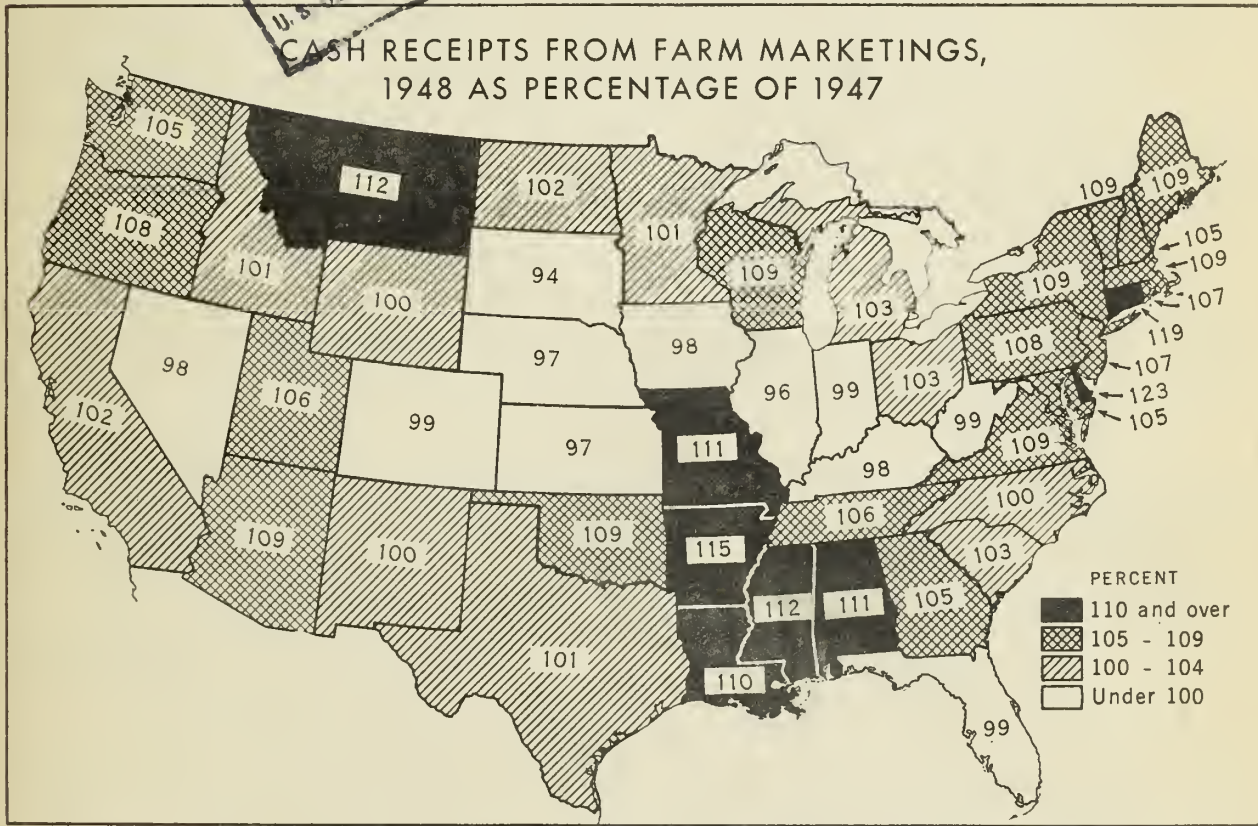
FIS-104

JANUARY 1949

LIBRARY
CURRENT SERIALS SECOND
MAR 3 1949
U.S. DEPARTMENT OF AGRICULTURE



CASH RECEIPTS FROM FARM MARKETINGS,
1948 AS PERCENTAGE OF 1947



U. S. DEPARTMENT OF AGRICULTURE

NEG. 47105

BUREAU OF AGRICULTURAL ECONOMICS

Cash receipts in most States in 1948 were not very much different from those of 1947, with an average increase of only 3 percent for the country as a whole. For the most part, the largest increases occurred in the south central States. The decreases, all of which were slight, were principally in the north central States.

FARM INCOME IN 1948

Farm operators in the United States realized net incomes tentatively estimated at 17.4 billion dollars in 1948. The decline from 17.8 billion dollars in 1947 was more than 2 percent, and was the first drop in 10 years.

Realized net income of farm operators includes the value of crops and livestock sold, or placed under Government loan, or used in the farm home during the year, plus Government payments to farmers and the rental value of farm dwellings, and minus production expenses. It does not include the value of net changes in farm inventories of crops and livestock. Cash receipts and gross farm income increased more than 2 percent in 1948, reaching new record highs; but production expenses increased almost 8 percent.

The net income from farming of all persons on farms increased again in 1948. This includes wages paid hired farm workers living on farms and an adjustment for net changes in farm inventories, in addition to the realized net income of farm operators. Average net income from farming per person living on farms rose 6 percent in 1948 to \$716.

Income of persons on farms from nonfarm sources is tentatively estimated at 5.3 billion dollars in 1948, or \$193 per person. So per capita income of farm people from all sources was \$909, or 7 percent more than in 1947. This compares with an estimated average of \$1,569 for nonfarm people, which was 8 percent higher than in 1947.

As farm income rose less than nonfarm income on a per capita basis, the parity-income ratio declined slightly for the second year in a row--the latest being from 162 in 1947 to 160 in 1948. These ratios were computed in accordance with the Agricultural Adjustment Act of 1938, in which parity income is defined as "that per capita net income of individuals on farms from farming operations that bears to the per capita net income of individuals not on farms the same relation as prevailed" during the years 1910-14. In other words, parity is not defined in terms of equality of incomes or living standards, but in terms of a per capita ratio that existed in the years before the first World War, when average dollar per capita income of farm people from farming was about 28 percent of average dollar per capita nonfarm income. Income of farm people from nonfarm sources is not taken into account in the current measurement of parity income because estimates are not available for the 1910-14 base period.

Parity income has been redefined in the Agricultural Act of 1948 as "that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation." This new definition does not become effective until January 1, 1950; and it cannot be satisfactorily measured with the information currently available. But parity farm income under the present definition is not generally accepted as being sufficient to provide living standards equivalent to those of nonfarm people; and it seems reasonable to assume that any recalculation under the new definition

is certain to raise the level of parity as applied to farm income. As already indicated, average per capita dollar income of all farm people, including income from nonfarm sources, was only 58 percent of the average dollar income of nonfarm people in 1948.

More detailed estimates for 1948 and comparisons with 1946 and 1947 are given in tables 5-8 of this report. These tables correspond with tables 2-5 on pages 15 and 16 of the Farm Income Situation for August-September 1948, where data for earlier years may be found. The 1948 estimates are all preliminary, but revisions are not to be expected until June or later.

CASH RECEIPTS IN FEBRUARY 1949

Farmers will probably receive around 2 billion dollars from marketings in February. This is 20 percent less than receipts in January of this year, but 10 percent more than receipts in February of last year. Prices on the whole will be down from January, and below those of a year ago. The total volume of marketings, though down seasonally because of the shorter month, will be larger than in February of last year because of increased sales of meat animals and corn.

The proportion of total cash receipts attributable to livestock and products generally increases at the beginning of the year as crop marketings are gradually reduced. In December, total cash receipts were about evenly divided between the two sources, but in February livestock will account for three-fifths of the total. Receipts from livestock and products in February will be around 1.2 billion dollars, 10 percent below this January but a little above February 1948. Meat-animal prices will probably average a little lower, marketings are down though less than seasonally, and cash receipts from meat animals may be 10 or 15 percent below the previous month. They will probably be considerably higher than a year ago, however, because of larger marketings. Receipts from dairy products are declining seasonally from January, and will probably be lower than in February 1948 because of lower prices. Cash receipts from poultry and eggs will be much the same as in this January, with slightly lower prices of both poultry and eggs offset by a seasonal increase in egg marketings. But receipts from poultry and eggs will be slightly larger than a year ago because of higher prices.

Cash receipts from crops in February are showing the usual large seasonal decline from January. But they will be higher than a year ago, mostly because of increased receipts from corn.

CASH RECEIPTS, JANUARY - FEBRUARY 1949

Farmers' cash receipts in the first 2 months of 1949 are expected to total about 4.5 billion dollars, which is a little more than their receipts in the same period last year. Receipts from livestock and products may not equal the 2.6 billion dollars of last year. Slightly larger milk production and increased meat-animal marketings are not enough to offset lower prices. But cash receipts from poultry and eggs may be a little above last year. Total crop receipts may be 15 percent more than receipts in the first 2 months of last year. Increases in receipts from corn and cotton will more than offset a decline for wheat.

Table 1.- Cash receipts from farming, United States

Source	November		December		Jan.-Dec.	
	1947	1948	1947	1948	1947	1948
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Farm marketings and CCC loans 1/.....	3,264	3,304	2,826	2,730	30,186	31,019
Livestock and products....	1,587	1,579	1,596	1,421	16,490	17,425
Meat animals.....	970	937	978	816	9,319	9,643
Dairy products.....	296	296	307	295	4,059	4,508
Poultry and eggs.....	304	330	299	298	2,901	3,061
Other.....	17	16	12	12	211	213
Crops.....	1,677	1,725	1,230	1,309	13,696	13,594
Food grains.....	202	213	177	181	2,789	2,973
Feed crops.....	217	196	219	233	2,286	1,913
Cotton (lint and seed)..	449	580	281	330	2,243	2,529
Oil-bearing crops.....	229	211	50	52	984	966
Tobacco.....	85	78	169	185	1,030	1,013
Vegetables.....	175	157	109	115	1,939	1,947
Fruits and tree nuts....	124	110	87	92	1,352	1,252
Other.....	196	180	138	121	1,073	1,001
Government payments.....	12	10	17	10	314	293
Total cash receipts.....	3,276	3,314	2,843	2,740	30,500	31,312

Table 2.- Index numbers of cash receipts from farm marketings and CCC loans, physical volume of farm marketings, and prices received by farmers, United States (1935-39=100)

Item	November		December		Jan.-Dec.	
	1947	1948	1947	1948	1947	1948
Cash receipts from farm marketings and CCC loans 1/:						
All commodities.....	491	497	425	411	379	389
Livestock and products.....	419	417	421	375	363	383
Crops.....	588	604	431	458	400	397
Physical volume of farm marketings:						
All commodities.....	168	176	144	160	144	143
Livestock and products.....	159	150	150	140	144	139
Crops.....	181	209	136	186	144	148
Prices received by farmers:						
All commodities.....	267	252	280	250	250	267
Livestock and products.....	261	268	274	262	262	275
Crops.....	277	231	290	236	236	259

1/ Receipts from loans represent value of loans minus value of redemptions during the month.

Table 3. - Cash receipts from farm marketings, by States,

December 1947-48

State and region	Livestock and products		Crops		Total	
	1947	1948	1947	1948	1947	1948
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	5,154	5,355	12,919	17,967	18,073	23,322
New Hampshire	4,325	4,460	1,179	1,163	5,504	5,623
Vermont	6,429	7,022	1,519	1,607	7,948	8,629
Massachusetts	11,521	11,563	5,604	6,634	17,125	18,197
Rhode Island	1,447	1,529	659	650	2,106	2,179
Connecticut	8,119	9,170	3,179	5,534	11,298	14,704
New York	51,866	52,860	17,921	17,459	69,787	70,319
New Jersey	14,393	15,252	3,937	3,624	18,330	18,876
Pennsylvania	50,883	53,826	13,563	11,245	64,446	65,071
North Atlantic Region	154,137	161,037	60,480	65,883	214,617	226,920
Ohio	67,950	58,510	20,442	21,019	88,392	79,529
Indiana	74,652	63,903	24,733	22,502	99,385	86,405
Illinois	124,351	104,806	64,807	58,763	189,158	163,569
Michigan	40,528	38,426	20,593	18,856	61,121	57,282
Wisconsin	82,947	74,372	8,106	6,280	91,053	80,652
East North Central Region	390,428	340,017	138,681	127,420	529,109	467,437
Minnesota	106,610	89,214	25,494	23,056	132,104	112,270
Iowa	238,133	191,055	23,329	56,048	261,462	247,103
Missouri	84,933	71,165	19,988	41,422	104,921	112,587
North Dakota	24,064	19,550	28,393	35,140	52,457	54,690
South Dakota	47,686	39,093	16,221	18,233	63,907	57,326
Nebraska	66,479	54,545	36,032	37,453	102,511	91,998
Kansas	44,226	36,697	52,697	38,523	96,923	75,220
West North Central Region	612,131	501,319	202,154	249,875	814,285	751,194
Delaware	5,118	6,709	953	643	6,071	7,352
Maryland	11,435	12,808	2,954	3,101	14,389	15,909
Virginia	19,814	18,895	22,333	22,095	42,147	40,990
West Virginia	7,749	7,329	2,776	2,946	10,525	10,275
North Carolina	11,949	11,178	44,813	35,597	56,762	46,775
South Carolina	5,074	4,915	14,817	16,409	19,891	21,324
Georgia	17,527	16,178	26,863	27,339	44,390	43,517
Florida	9,415	9,064	20,754	25,307	30,169	34,371
South Atlantic Region	88,081	87,076	136,263	133,437	224,344	220,513
Kentucky	24,814	22,209	104,189	122,057	129,003	144,266
Tennessee	16,448	15,029	45,608	54,094	62,056	69,123
Alabama	11,407	10,579	22,176	37,194	33,583	47,773
Mississippi	8,894	8,775	43,083	60,295	51,977	69,070
Arkansas	13,352	12,456	38,399	65,167	51,751	77,623
Louisiana	10,604	10,207	29,784	21,287	40,388	31,494
Oklahoma	24,509	22,011	26,027	22,837	50,536	44,848
Texas	59,725	53,226	116,200	64,935	175,925	118,161
South Central Region	169,753	154,492	425,466	447,866	595,219	602,358
Montana	15,252	14,331	14,034	22,778	29,296	37,109
Idaho	15,654	13,919	22,656	24,043	38,310	37,962
Wyoming	5,891	5,420	4,835	5,267	10,726	10,687
Colorado	20,868	18,417	25,871	22,622	46,739	41,039
New Mexico	6,207	6,001	7,571	7,894	13,778	13,895
Arizona	5,483	5,538	18,264	20,051	23,747	25,589
Utah	10,087	10,389	5,716	4,762	15,803	15,151
Nevada	2,630	2,601	822	638	3,452	3,239
Washington	17,317	17,291	30,342	33,946	47,659	51,237
Oregon	16,378	16,178	17,517	17,575	33,895	33,753
California	65,162	66,665	119,484	124,950	184,646	191,615
Western Region	180,939	176,750	267,112	284,526	448,051	461,276
United States	1,595,469	1,420,691	1,230,156	1,309,007	2,825,625	2,729,698

Table 4. - Cash receipts from farm marketings, by States,

January - December 1947-48

State and region	Livestock and products		Crops		Total	
	1947	1948	1947	1948	1947	1948
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	60,830	66,378	114,972	125,039	175,802	191,417
New Hampshire	48,555	53,291	15,409	14,152	63,964	67,443
Vermont	91,152	104,630	23,280	20,636	114,432	125,266
Massachusetts	119,224	129,496	71,814	77,975	191,038	207,471
Rhode Island	15,589	16,806	6,391	6,788	21,980	23,594
Connecticut	89,539	100,809	57,371	73,715	146,910	174,524
New York	578,565	655,339	292,463	291,182	871,028	946,521
New Jersey	169,914	185,744	124,223	127,663	294,137	313,407
Pennsylvania	557,486	616,481	216,924	220,026	774,410	836,507
North Atlantic Region	1,730,854	1,928,974	922,847	957,176	2,653,701	2,886,150
Ohio	695,914	730,327	301,549	294,885	997,463	1,025,212
Indiana	751,525	762,703	314,622	288,690	1,066,147	1,051,393
Illinois	1,121,689	1,148,744	787,780	687,153	1,909,469	1,835,897
Michigan	446,193	476,091	267,280	255,511	713,473	731,602
Wisconsin	906,227	1,007,481	142,020	138,361	1,048,247	1,145,842
East North Central Region	3,921,548	4,125,346	1,813,251	1,664,600	5,734,799	5,789,946
Minnesota	952,927	996,322	391,181	360,561	1,344,108	1,356,883
Iowa	1,948,017	2,009,470	449,970	345,263	2,397,987	2,354,733
Missouri	854,693	896,377	228,232	300,356	1,082,925	1,196,733
North Dakota	199,855	203,488	511,602	522,573	711,457	726,061
South Dakota	397,730	402,458	288,451	242,782	686,181	645,240
Nebraska	674,562	701,587	413,788	359,314	1,088,350	1,060,901
Kansas	582,493	567,439	657,720	630,624	1,240,213	1,198,063
West North Central Region	5,610,277	5,777,141	2,940,944	2,761,473	8,551,221	8,538,614
Delaware	68,911	89,871	17,613	16,481	86,524	106,352
Maryland	144,446	167,352	90,789	79,206	235,235	246,558
Virginia	207,425	227,630	202,945	220,635	410,370	448,265
West Virginia	88,816	88,970	28,518	26,778	117,334	115,748
North Carolina	135,288	142,558	627,062	617,112	762,350	759,670
South Carolina	63,488	67,621	261,798	267,362	325,286	334,983
Georgia	157,176	164,977	356,224	372,656	513,400	537,633
Florida	91,997	95,939	253,479	244,507	345,476	340,446
South Atlantic Region	957,547	1,044,918	1,838,428	1,844,737	2,795,975	2,889,655
Kentucky	287,042	300,912	300,965	277,018	588,007	577,930
Tennessee	227,470	240,933	246,182	262,026	473,652	502,959
Alabama	120,363	131,848	272,290	302,902	392,653	434,750
Mississippi	116,671	126,038	372,532	421,914	489,203	547,952
Arkansas	153,514	176,871	346,539	399,948	500,053	576,819
Louisiana	107,434	111,870	222,289	251,291	329,723	363,161
Oklahoma	335,290	349,057	314,205	357,302	649,495	706,359
Texas	801,549	870,794	1,140,993	1,082,220	1,942,542	1,953,014
South Central Region	2,149,333	2,308,323	3,215,995	3,354,621	5,365,328	5,662,944
Montana	177,393	188,574	192,751	225,277	370,144	413,851
Idaho	145,747	155,506	216,938	209,034	362,685	364,540
Wyoming	107,364	107,425	42,564	43,235	149,928	150,660
Colorado	258,614	269,891	258,564	242,827	517,178	512,718
New Mexico	102,262	109,825	74,664	66,768	176,926	176,593
Arizona	71,868	77,091	119,974	131,652	191,842	208,743
Utah	103,723	109,777	51,719	54,583	155,442	164,360
Nevada	39,449	39,322	6,423	5,756	45,872	45,078
Washington	192,364	207,858	387,342	399,328	579,706	607,186
Oregon	170,136	180,145	200,711	219,881	370,847	400,026
California	751,954	794,743	1,412,751	1,412,896	2,164,705	2,207,639
Western Region	2,120,874	2,240,157	2,964,401	3,011,237	5,085,275	5,251,394
United States	16,490,433	17,424,859	13,695,866	13,593,844	30,186,299	31,018,703

CASH RECEIPTS BY STATES IN 1948

Farmers in most States received a little more money from the sale of their products in 1948 than they did in 1947. But some farmers did not share in the increase; and many others found that small gains in gross receipts were more than offset by rising costs.*

Preliminary 1948 estimates of cash receipts by States are given in table 4; and their percentage changes from 1947 are shown in the cover chart. In a few States there were relatively large gains over the previous year. Small declines occurred in a few other States. But small increases were the rule.

Declines were mainly in the north central States, and the larger increases were primarily in the south central States, as indicated by the chart. The two largest percentage gains, however, occurred outside this area. A 23-percent rise in total cash receipts in Delaware was due almost entirely to increased receipts from broilers. In Connecticut, total receipts were 19 percent higher, with crops up 28 percent and livestock and products, 13 percent. These gains were due largely to substantial increases in receipts from tobacco and milk.

Six States showed increases in total receipts of from 10 to 15 percent. In Arkansas, Mississippi, Alabama, and Louisiana, by far the greatest part of the increase was due to cotton. In Missouri also, cotton played the most important part, but gains in wheat, meat animals, and dairy products were also noteworthy. As cotton is of major importance in all these States, the relatively large 1948 cotton crop had considerable influence on their total cash receipts. Wheat accounted for most of the increase in Montana. Although production of wheat in the country as a whole was down in 1948, production in Montana was up nearly 40 percent, and this was only partly offset by lower prices.

In seven States, substantial increases in livestock receipts, ranging from 10 to 16 percent, were partly offset by declines or smaller gains in crop receipts. In Maryland, broilers made the most important gains, with lesser increases in meat animals and dairy products offset by decreases in wheat, tobacco, and corn. In Vermont, New York, and Wisconsin, dairy products were almost entirely responsible for total livestock gains. In Pennsylvania and Virginia, all the major livestock groups showed considerable increases; but in Pennsylvania dairy products were the most important whereas meat animals took the lead in Virginia.

In three other States--Oklahoma, Arizona, and Oregon--gains of 10 percent or more in crop receipts were accompanied by smaller increases in the livestock group. Larger receipts from wheat were most important in Oklahoma and in Oregon. But in Arizona, the increase in total crop receipts was due mostly to cotton and vegetables.

*Estimates of production expenses and net farm income are not available for individual States. But that the realized net income of most farmers declined in 1948 is evident from the United States totals given elsewhere in this report.

Several States suffered substantial declines in crop receipts with only small offsetting gains in total livestock receipts. This was the case in Iowa, South Dakota, Nebraska, and Illinois, reflecting the unusually small 1947 corn crop (most of which was sold in 1948), and in New Mexico where the 1948 wheat production was down.

Changes in other States were relatively small either way for both crops and livestock. And for the country as a whole the increase from 1947 to 1948 in total cash receipts was less than 3 percent. The nationwide total for livestock and products was up 6 percent from 1947, with a smaller total volume of marketings more than offset by a 9-percent increase in average prices. On the other hand, the United States total of crop receipts was off about 1 percent, a small increase in total marketings having been outweighed by price declines.

Table 5.- Net income from farming, nonagricultural income, and national income, by residence, United States, 1935-39 average and 1946-48

Item	1935-39	1946	1947	1948
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
Net income from agriculture.....	5,986	18,073	20,829	21,967
To persons living on farms.....	5,014	15,831	18,270	19,377
Farm operators:				
Cash receipts from farm				
marketings.....	7,962	24,364	30,186	31,019
Value of home consumption.....	1,327	2,624	3,105	3,123
Gross rental value of farm				
homes.....	622	978	1,100	1,162
Gross income.....	9,931	28,466	34,391	35,304
Production expenses.....	5,584	14,297	16,838	18,134
Realized net income.....	4,347	14,169	17,553	17,170
Adjustment for changes in				
inventory.....	+6	-126	-1,235	+94
Farm laborers, wages.....	661	1,788	1,952	2,113
To persons not living on farms.....	972	2,247	2,559	2,590
Farm wages.....	267	762	839	910
Farm mortgage interest.....	345	216	222	231
Net rent to nonfarm landlords....	360	1,269	1,498	1,449
Net income from agriculture and				
Government payments.....	6,489	18,850	21,143	22,260
To persons living on farms.....	5,450	16,515	18,548	19,635
Farm operators:				
Realized net income from				
agriculture.....	4,347	14,169	17,553	17,170
Government payments.....	436	684	278	258
Realized net income from				
agriculture and Government				
payments.....	4,783	14,853	17,831	17,428
Adjustment for changes				
in inventory.....	+6	-126	-1,235	+94
Farm laborers, wages.....	661	1,788	1,952	2,113
To persons not living on farms.....	1,039	2,335	2,595	2,625
Net income from agriculture.....	972	2,247	2,559	2,590
Government payments to nonfarm				
landlords.....	67	88	36	35
Net income from nonagricultural				
sources.....	59,830	149,588	169,656	187,800
To persons living on farms.....	2,090	4,270	4,900	5,300
To persons not living on farms..	57,740	145,318	164,756	182,500
National Income.....	66,319	168,438	190,799	210,060
To persons living on farms.....	7,540	20,785	23,448	24,935
To persons not living on farms..	58,779	147,653	167,351	185,125

Table 6.- Per capita net income of persons on farms and of persons not on farms, United States 1935-39 average and 1946-48

Item	1935-39	1946	1947	1948
	Dol.	Dol.	Dol.	Dol.
Per capita net income of persons living				
on farms.....	243	774	851	909
Agriculture.....	162	590	663	706
Government payments.....	14	25	10	10
Nonagricultural sources.....	67	159	178	193
Per capita net income of persons not living:				
on farms.....	603	1,300	1,453	1,569
Agriculture.....	11	20	22	22
Nonagricultural sources.....	592	1,280	1,431	1,547

Table 7.- Income of persons on farms as percentage of national income, and farm population as percentage of total population, United States, 1935-39 average and 1946-48

Item	Unit	1935-39	1946	1947	1948
Net income excluding Government payments:					
Persons living on farms (from agriculture).....	Mil.dol.	5,014	15,831	18,270	19,377
Persons not living on farms 1/....	do	60,802	151,835	172,215	190,390
Total.....	do	65,816	167,666	190,485	209,767
Farm as percent of total.....	Percent	7.6	9.4	9.6	9.2
Net income including Government payments:					
Persons living on farms (from agriculture and Government payments).....	Mil.dol.	5,450	16,515	18,548	19,635
Persons not living on farms 1/2/..	do	60,869	151,923	172,251	190,425
Total (national income).....	do	66,319	168,438	190,799	210,060
Farm as percent of total.....	Percent	8.2	9.8	9.7	9.3
Population:					
Farm.....	Thousand	31,037	26,850	27,550	27,440
Nonfarm.....	do	97,527	113,544	115,144	117,994
Total.....	do	128,564	140,394	142,694	145,434
Farm as percent of total.....	Percent	24.1	19.1	19.3	18.9

1/ All nonagricultural income is allocated to the nonfarm population, as estimates of the portion of such income received by the farm population are not available for the base period 1910-14. 2/ Including Government payments to landlords not living on farms.